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Attorneys for Friendly Capital Partners, L.P.

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re

HDGIANTS, INC.

Debtor.

Bankr. Case No.: BK-N-09-51532-GWZ

Chapter: 11

**LIMITED OBJECTION TO MOTION
TO DISTRIBUTE REMAINING FUNDS
AND DISMISS CHAPTER 11 CASE**

Date: 2/11/14

Time: 10:00 a.m.

Friendly Capital Partners, L.P. ("Friendly") objects to the proposed distribution to debtor's principal, Scott Bahneman, due to his personal debts owed to Friendly Capital Partners, L.P. Mr. Bahneman personally borrowed \$300,000 from Friendly in 2008, as evidenced by two promissory notes. The funds were due no later than December 31, 2009. Mr. Bahneman has not made any payments, and the Mr. Bahneman is in default.

Debtor's counsel does not believe the automatic stay is at issue as the funds are in the possession of a non-debtor, the Harris & Petroni, Ltd., trust account in control of Ms. Petroni.

Therefore, Friendly has filed the attached complaint against Mr. Bahneman. Ex. 1. Friendly is working expeditiously at obtaining writs for attachment and garnishment to be served on Ms. Petroni, and it will update this Court on the status of the same at the hearing. To the extent that Friendly needs additional time to obtain the writ of attachment and garnishment or serve it on Ms. Petroni due to the state court's scheduling, Friendly requests that this Court briefly prohibit the distribution of funds to Mr. Bahneman.

Dated this 4th of February, 2014

ARMSTRONG TEASDALE LLP
By: /s/Louis M. Bubala III
LOUIS M. BUBALA III, ESQ.
Counsel for Friendly Capital Partners, L.P.

EXHIBIT 1

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1 **\$ 1425**

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13 *Attorneys for Friendly Capital Partners L.P.*

14 **IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA**

15 **IN AND FOR THE COUNTY OF WASHOE**

16 FRIENDLY CAPITAL PARTNERS, L.P., a
17 California limited partnership,

18 Plaintiff,

19 vs.

20 SCOTT BAHNEMAN, an individual,

21 Defendant.

Case No.:

Dept. No.:

COMPLAINT

**[EXEMPT FROM ARBITRATION
BASED UPON AMOUNT IN
CONTROVERSY]**

22 **I. PARTIES, JURISDICTION AND VENUE**

23 1. Friendly Capital Partners, L.P. is a California limited partnership doing business in Nevada
24 and qualified by the Secretary of State to do business in Nevada.

25 2. Friendly Capital, Inc. is a Nevada corporation and the General Partner of Friendly Capital
26 Partners, L.P.

27 3. Upon information and belief, Defendant Scott Bahneman is a resident and citizen of the State
28 of California, County of San Diego.

4. Jurisdiction exists in this district court under Article 6, Section 6 of the Nevada Constitution,
and Chapters 3 and 4 of the Nevada Revised Statutes.

1 5. Venue is proper under NRS 13.010 because the parties contracted to perform an obligation in
2 the County of Washoe, Nevada.

3 6. This case is exempt from arbitration under NRS 38.250(1)(a) and Nev. ADR Rule 3, because
4 the amount in controversy exceeds \$50,000, exclusive of attorney's fees, interest and court costs.

5 **II. GENERAL ALLEGATIONS**

6 7. On or about May 27, 2008, Friendly Capital Partners, L.P. made a loan to Defendant
7 Bahneman in the original principal sum of \$200,000.00, evidenced by a Promissory Note ("May
8 2008 Note").

9 8. The May 2008 Note was due and payable "on the earlier to occur of (i) the date that Borrower
10 closes on a Series B Preferred round of financing for Music Giants, Inc., a Nevada corporation
11 providing gross proceeds of at least \$10 million, or (ii) December 31, 2008 (the 'Maturity Date')".

12 9. On or about October 2, 2008, Friendly Capital Partners, L.P. made an additional loan to
13 Defendant Bahneman in the original principal sum of \$100,000.00, evidenced by a Promissory Note
14 ("October 2008 Note").

15 10. The October 2008 Note was due and payable "on the earlier to occur of (i) the date that
16 Borrower closes on a Series B Preferred round of financing for Music Giants, Inc., a Nevada
17 corporation providing gross proceeds of at least \$10 million, or (ii) December 31, 2009 (the 'Maturity
18 Date')".

19 11. The May 2008 Note and October 2008 Note contained the same events of default, including
20 "Failure of the Borrower to pay the Principal Amount of this Promissory Note together with all
21 accrued but unpaid interest thereon on the Maturity Date".

22 **III. CLAIM – BREACH OF LOAN DOCUMENTS**

23 12. Plaintiff Friendly Capital Partners, L.P. hereby incorporates the allegations contained in the
24 paragraphs above of this Complaint as if fully set forth herein.

25 13. Defendant Bahneman breached his obligations under the May 2008 Note and the October
26 2008 Note (together, the "Loan Documents").
27
28

1 14. Under the terms of the Loan Documents, an event of default occurs upon, *inter alia*, the
2 “Failure of the Borrower to pay the Principal Amount of this Promissory Note together with all
3 accrued but unpaid interest thereon on the Maturity Date.”

4 15. Defendant Bahneman is in default under the Loan Documents, because he has not made any
5 payments on the loans.

6 16. All conditions precedent to Friendly Capital Partners, L.P. recovery against Defendant
7 Bahneman have been satisfied.

8 17. Friendly Capital Partners, L.P. has been required to retain legal counsel due to the breach of
9 the Loan Documents.

10 18. Friendly Capital Partners, L.P. has been damaged in an amount exceeding \$10,000.00 by the
11 breach of the Loan Documents.

12 **IV. PRAYER**

13 WHEREFORE, Plaintiff Friendly Capital Partners, L.P. prays for the following relief:

- 14 1. That Plaintiff receive a Judgment for all amounts owed by Defendant due to his breach;
15 2 For attorneys’ fees and costs of suit; and
16 3. For any other relief warranted or sought in this proceeding.

17 **AFFIRMATION PURSUANT TO NRS 239B.030**

18 The undersigned does hereby affirm that the preceding document does not contain the Social
19 Security Number of any person.

20 Dated this 3rd day of February, 2014.

ARMSTRONG TEASDALE LLP

21
22 /s/ Louis M. Bubala III
23 LOUIS M. BUBALA III, ESQ.
24 BRET F. MEICH, ESQ.

25 Attorneys for Plaintiff
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